

Article 4 of Chapter 5.5 of Subdivision 1 of Title 14, CCR is added to read:

Article 4. Market Squid Fishery Management Plan

Section 53.00 is added to Title 14, CCR, to read:

53.00. Purpose and Scope.

(a) This article implements the Market Squid Fishery Management Plan (Market Squid FMP) as adopted and amended by the California Fish and Game Commission (commission), consistent with the requirements of Part 1.7, commencing with Section 7050, and Article 9.7 of Chapter 2 of Part 3 of Division 6 of the Fish and Game Code (commencing with Section 8420). Regulations contained in Section 53.00 et seq. are consistent with the goals, objectives and procedures of the Market Squid FMP and applicable federal regulations for coastal pelagic species and the federal Coastal Pelagic Species Fishery Management Plan. These regulations, in combination with other applicable provisions of the Fish and Game Code, Title 14 of the California Code of Regulations, and federal regulations for coastal pelagic species, govern management and regulation of market squid stocks and fisheries.

(b) A regulation implementing this fishery management plan that is applicable to both sport and commercial fisheries is found in this Article. Regulations adopted by the commission specific to recreational take and use of market squid are included with ocean sport fishing regulations in Chapter 4, beginning with Section 27.00, Title 14, CCR. Regulations specific to commercial fishing for market squid are included in Chapter 6, beginning with Section 149, Title 14, CCR.

(c) Pursuant to Fish and Game Code Section 8429.7, Fish and Game Code sections 8420.5 to 8423.5, inclusive, and sections 8426 and 8427 are made inoperative.

(d) Pursuant to Fish and Game Code Section 7071, Fish and Game Code Section 7852.2 is made inoperative as it applies to squid fishery permits.

NOTE:

Authority cited: Sections 7071, 7078, 8425, and 8429.7 Fish and Game Code.

Reference: Sections 7070, 7071, 7075, 7078, 7083, 8420, 8425, and 8429.7, Fish and Game Code.

Section 53.01 is added to Title 14, CCR, to read:

53.01. Definitions.

(a) *Brail gear, dip nets or scoop nets* means any net attached to a rigid frame operated by hand or mechanical device deployed from the vessel to scoop fish or invertebrates.

(b) *Daily trip limit* means a routine management measure which may be used to limit take of squid on a per-vessel basis within a calendar day.

(c) *Drum seine* means a purse seine net which is stored, deployed and retrieved with the aid of a mechanized drum (reel) mounted on the stern of the vessel.

(d) *Egg escapement* means the number or proportion of a female squid's lifetime supply of eggs that she is able to deposit, on average, before being taken in the fishery.

(e) *Egg escapement method* means a management tool which may be used to determine whether the fleet is fishing above or below a predetermined sustainable level

of exploitation. The method requires establishing a threshold value to ensure that an adequate number of eggs are deposited prior to harvest.

(f) *Fishing year or fishing season* under the Market Squid FMP means the period April 1 through March 31.

(g) *Fishery Control Rules* means specific management strategies such as seasonal catch limits, daily trip limits, area closures, time closures, and sustainable levels of egg escapement which provide for a sustainable market squid fishery.

(h) *Fleet capacity goal* means an optimal number of vessels where the number of vessels matches the available squid resource.

(i) *Forage* means the role of market squid in the food chain as a critical source of food for higher predators, including birds, fish and marine mammals.

(j) *Lampara* means a rectangular net constructed with graduated mesh sizes, a definite bunt (bag), and fitted with floats. It is laid out by the fishing vessel in a circle and closed at least partially on the bottom by pulling the headline in advance of the float line.

(k) *Light boat* means a vessel engaged in the commercial taking or attempting to take market squid which uses bright lights to aggregate squid for commercial purposes including live bait.

(l) *Market squid* means *Loligo opalescens*.

(m) *Market Squid Fishery Management Plan (Market Squid FMP)* means Chapters 1 through 5 of the Market Squid Fishery Management Plan approved by the Commission on August 27, 2004, hereby incorporated by reference.

(n) *National Marine Fisheries Service, NMFS or NOAA Fisheries* means the federal fisheries management agency which is contained in the United States Department of Commerce.

(o) *Overfished* is defined at Fish and Game Code Section 97.5, and in the Market Squid FMP also means a condition that may exist when either the egg escapement threshold is not met, or catches of squid exceed any specified allowable level.

(p) *Overfishing* is defined at Fish and Game Code Section 98, and in the Market Squid FMP also may mean that harvests of squid are occurring at times when either the egg escapement threshold is not being met, or catches are exceeding specified allowable levels. These catches may not be sustainable.

(q) *PFMC or Council* means the Pacific Fishery Management Council established pursuant to the Magnuson-Stevens Fishery Conservation and Management Act.

(r) *Point of concern* means one or more of the following conditions affecting market squid that, if found or are expected to exist, may trigger the application or adjustment of one or more management measures by the commission:

(1) Catch is projected to significantly exceed the current seasonal catch limitation.

(2) Any adverse or significant change in the biological characteristics of the market squid (age composition, size composition, age at maturity, or recruitment) is discovered.

(3) An overfished condition exists or is imminent (defined as when the egg-escapement method threshold is not realized in two consecutive years).

(4) Any adverse or significant change in the availability of market squid as forage or in the status of a dependent species is discovered.

(5) An error in data or a change to an indicator of stock status is detected that requires adjustment to fishery control rules to ensure sustainable resource management.

(s) *Points of concern process* means a process authorizing the commission to apply or adjust fishery management measures at any time during the year based on the confirmation of the existence of one or more resource-based points of concern identified in a fishery management plan pursuant subsection 50.03 (a), Title 14, CCR.

(t) *Purse seine* means a rectangular net constructed with uniform mesh sizes, without a prominent bunt (bag), and fitted with floats. It is laid out with the end attached to a skiff while the deploying vessel encircles the squid. The end of the net is then brought up to the deploying vessel and is closed on the bottom by pulling a purse line (draw string) threaded through rings along the headline, preventing the catch from escaping.

(u) *Round haul vessels* mean those that employ the use of lampara, purse seine, and drum seine net gear to commercially harvest squid.

(v) *Seasonal catch limitation* means an amount of allowable catch which may be taken within a designated geographic area in a fishing season, specified in short tons and excluding discard mortality. The attainment (or expected attainment) of this limit will cause closure of the directed commercial fishery as specified in regulation.

(w) *Tons* means short tons, and is the standard unit of weight for purposes of describing catches and limits for the market squid fishery, notwithstanding subsection 50.00 (c), Title 14, CCR.

(x) *Vessel capacity* means the gross registered tonnage, as listed on a federal Coastal Pelagic Species permit or calculated from length, breadth and depth measurements provided on United States Coast Guard documentation papers.

(y) *Weekend closures* mean a routine management measure which may be used to prohibit take of market squid during certain days of a week.

(z) Definitions contained in Chapter 1, and Article 1 of Chapter 5.5, of Subdivision 1, Division 1, Title 14, CCR, and Chapters 1 and 2 of Division 0.5 of the Fish and Game Code apply to the market squid fishery in addition to definitions of this Section.

NOTE:

Authority cited: Section 7071, 7078, and 8425, Fish and Game Code. Reference: Sections 7071, 7075, 7078, 7083, 7086, 8420, and 8425, Fish and Game Code.

Section 53.02 is added to Title 14, CCR, to read:

53.02. Process and Timing.

(a) Management of market squid stocks will conform to the goals, objectives, criteria, procedures, and Fishery Control Rule guidelines of the Market Squid FMP, and other applicable state and federal laws and regulations.

(b) Periodic monitoring and assessment of squid fisheries will be conducted, and, at a minimum, will include the collection and review of reported catches. The department will provide management recommendations to the commission as needed, and in-season if a need is identified.

(c) The director may establish and appoint members to an advisory committee to assist the department with development and review of fishery assessments, management options and proposals, and plan amendments.

(d) Management measures and actions may be developed, considered, and adopted in compliance with the Administrative Procedure Act and implemented at any time of year to achieve management plan goals and objectives, and may apply to any or all

management areas, or portions of management areas at the discretion of the commission.

NOTE:

Authority cited: Section 7071, 7078, and 8425, Fish and Game Code. Reference: Sections 7071, 7075, 7083, 7652, 8420 and 8425, Fish and Game Code.

Section 53.03 is added to Title 14, CCR, to read:

53.03. Market Squid Fishery Management Plan (Market Squid FMP) Project

(a) The Department's Recommended Proposed Project in the Market Squid FMP involves a combination of limitations on total harvest, regulation on the use of squid fishing gear (including lights), use of time closures to allow for periods of uninterrupted spawning, restricted access and other limits on the commercial fleet capacity, mechanisms to allow for adequate squid escapement, and area closures designed to minimize impact to sensitive non-target species and habitat. These management measures described in the Market Squid FMP will be utilized in managing the squid fishery toward meeting goals and objectives of the Market Squid FMP.

(b) Other management measures as described in the Market Squid FMP, including but not limited to vessel trip limits, squid replenishment areas, seasonal closures, and marine protected areas may be used as needed to achieve the goals and objectives of the Market Squid FMP.

(c) A fishery management measure may be adopted by the commission instead of, or in addition to, measures included in the adopted Market Squid FMP Project where specified in statute or state or federal regulation.

NOTE:

Authority cited: Section 7071, 7078, and 8425, Fish and Game Code. Reference: Sections 7071, 7075, 7082, 7083, 8420 and 8425, Fish and Game Code.

Section 149, Title 14, CCR, is amended to read:

149. Commercial Taking of Market Squid.

(a) Fishing days. North of a westerly extension of the United States -- Republic of Mexico boundary line, market squid may not be taken for commercial purposes between 1200 hours (noon) on Friday and 1200 hours (noon) on Sunday of each week. This regulation applies to vessels catching squid or attracting squid with lights. This regulation does not apply to vessels taking squid for live bait purposes only or to fishing activities which result in squid landings taken pursuant to subsection (g) of this Section. Squid taken for live bait purposes pursuant to this Section shall only be sold as live bait.

(b) Records. Pursuant to Section 190 of these regulations, any person who possesses a valid Market Squid Vessel Permit, Market Squid Brail Permit, or Market Squid Light Boat Permit shall complete and submit an accurate record of his/her squid fishing/lighting activities on a form (Market Squid Vessel Logbook - DFG 149a (9/01), or Market Squid Light Boat Logbook - DFG 149b (9/01), which are incorporated by reference herein) provided by the department, as appropriate to the type of fishing activity. Logbook

records shall be transmitted to the department on or before the 10th day of each month following the month that fishing activity occurred.

(c) Maximum Wattage. Each vessel fishing for squid or lighting for squid shall utilize a total of no more than 30,000 watts of lights to attract squid at any time.

(d) Light Shields. Each vessel fishing for squid or lighting for squid will reduce the light scatter of its fishing operations by shielding the entire filament of each light used to attract squid and orienting the illumination directly downward, or providing for the illumination to be completely below the surface of the water. The lower edges of the shields shall be parallel to the deck of the vessel.

(e) Seasonal Catch Limitation. For the period from April 1 through March 31 of the following year, a total of not more than 118,000 short tons of market squid may be taken statewide by vessels permitted under Section 149.1 or 149.3, Title 14, CCR, with the fishery closure implemented as follows:

(1) The department shall estimate, from the current trend in landings, when the market squid catch limit will be reached, and will publicly announce the effective date of closure of the directed fishery on VHF/channel 16 between the hours of 10:00 p.m. and 12:00 a.m. (midnight). It shall be the responsibility of all operators of permitted market squid vessels to monitor VHF/channel 16 to determine when the catch limit is expected to be reached and the fishery closed. Any announcement issued or made by the department on VHF/channel 16 shall constitute official notice.

(2) Whenever the market squid catch limit has been reached, market squid may be taken for commercial purposes through March 31 only if the amount taken does not exceed two tons landed in a calendar day or if the squid taken is used for live bait only.

(f) Closed Times and Areas for Seabirds.

Market squid may not be taken for commercial purposes utilizing attracting lights in all waters of the Gulf of the Farallones National Marine Sanctuary. Boundaries of the Sanctuary are defined as those in effect on August 27, 2004, pursuant to Title 15, Code of Federal Regulations (CFR), Part 922, Subpart H. This regulation also applies to vessels pursuing squid for live bait purposes.

(g) Incidental Allowance. It is unlawful to take, land, or possess in excess of two tons of squid per trip or per calendar day except as authorized under a Market Squid Vessel Permit or a Market Squid Brail Permit as described in subsection 149.1(b) or Section 149.3, or for purposes of live bait only.

(h) Forfeiture. Squid landed or possessed in violation of the allowance specified in subsection (g) above shall be forfeited to the department by the signing of an official release of property form. The squid shall be sold or disposed of in a manner to be determined by the department. The proceeds from all sales shall be paid into the Fish and Game Preservation Fund.

(i) Use of Lights to Aggregate Squid. It is unlawful to attract squid by light except as authorized under permits described in subsection 149.1(b) or Section 149.3. This regulation does not apply to seine skiffs of a permitted vessel, or to vessels pursuing squid for live bait purposes only.

(j) Citations for violations of this Section may be issued to the vessel operator, crewmembers, and/or the holder of a market squid permit issued pursuant to Section 149.1 or 149.3, Title 14, CCR.

(k) Exemption from Tidal Invertebrate Permit. A commercial market squid vessel or light

boat operating under the provisions of a commercial market squid permit is not required to possess a Tidal Invertebrate Permit, but is subject to the provisions of Section 123.

NOTE:

Authority: Sections 7078, 7701, 7708, 7923, 8026, 8425 and 8429.5, Fish and Game Code. Reference: Sections 7701, 7708, 7923, 8026, 8425, 8429.5 8429.7, 12159 and 12160, Fish and Game Code.

Section 149.1, Title 14, CCR, is added to read:

149.1 Market Squid Fishery Restricted Access Program.

(a) Permit Required. On and after April 1, 2005, no person shall take, land, or attract squid by light for commercial purposes, except as provided in subsection 149(g), unless the owner of that vessel has a valid market squid permit for use on that vessel that has not been suspended or revoked.

(b) Classification of Permits and Permit Authorization.

(1) A Market Squid Vessel Permit authorizes the use of round haul gear, including purse seine, drum seine and lampara nets for commercial harvest. Use of brail gear, including dip and scoop nets, is also authorized. Lights may also be used as specified in regulation to aggregate squid for purposes of commercial harvest. No other gear is authorized under this permit to take or assist in the taking of market squid for commercial purposes. Market Squid Vessel Permits are designated as either transferable or non-transferable as described in subsection (o) below.

(2) A Market Squid Brail Permit authorizes the use of brail gear including dip and scoop nets to take market squid for commercial purposes. Lights may also be used as specified in regulation to aggregate squid for purposes of commercial harvest. No other gear is authorized under this permit to take or assist in the taking of market squid for commercial purposes. Market Squid Brail Permits are designated as either transferable or non-transferable as described in subsection (o) below.

(3) A Market Squid Light Boat Permit authorizes only the use of lights as specified in regulation to aggregate squid for purposes of commercial harvest. No other gear is authorized under this permit to take or assist in the taking of market squid for commercial purposes. Market Squid Light Boat Permits are transferable as described in subsection (o) below.

(4) Only one market squid permit, regardless of the class of permit as described in subsections (b)(1), (2), and (3) above, may be issued per owner per vessel.

(c) Initial Issuance Criteria. Any person who is the registered owner of the vessel must provide current proof of vessel ownership at the time of application. Permits as described in subsection (b) shall be issued only to the following persons, partnerships or corporations based on qualifying criteria described in this subsection. Transferable permits shall be issued to owners where the vessel meets the specified initial issuance criteria for the class of permit. Non-transferable permits shall be issued only to individuals that meet the specified initial issuance criteria for the class of permit. During initial permit issuance, a permit must be placed only on a vessel that was licensed with a valid Market Squid Vessel Permit or a Market Squid Light Boat Owner's Permit in the 2004-05 permit year, and which must also be the vessel upon which the qualifying catches were made.

(1) Market Squid Vessel Permit – Transferable.

(A) A Transferable Market Squid Vessel Permit may be issued to an individual, partnership or corporation that is the owner of a commercial fishing vessel with a Market Squid Vessel Permit for the 2004-05 permit year that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application, and

(B) the Market Squid Vessel Permit has not been suspended or revoked, and

(C) the vessel must have made at least 50 landings of market squid from January 1, 2000 through March 31, 2003 as documented by fish landing receipts submitted to the department in the vessel's name and identification number pursuant to Fish and Game Code Section 8046.

(D) Upon issuance of a transferable Market Squid Vessel Permit, additional squid fishery catch history associated with the vessel may not be used by any individual, partnership or corporation toward qualification for additional permits of any class.

(2) Market Squid Vessel Permit – Non-Transferable.

(A) A Non-Transferable Market Squid Vessel Permit may be issued to an individual that is the owner of a commercial fishing vessel with a Market Squid Vessel Permit for the 2004-05 permit year that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application, and

(B) the Market Squid Vessel Permit has not been suspended or revoked, and

(C) pursuant to Fish and Game Code Section 8101, the individual must have been licensed as a California commercial fisherman for at least 20 years at the time of application, and

(D) the individual has made at least 33 landings of market squid from the vessel licensed with a Market Squid Vessel Permit for the 2004-05 permit year as documented by fish landing receipts submitted to the department in the person's name and commercial fishing license identification number pursuant to Fish and Game Code Section 8046, prior to August 27, 2004. Only receipts that demonstrate catch aboard a vessel with a Market Squid Vessel Permit for the 2004-05 permit year that does not already qualify for issuance of a transferable Market Squid Vessel Permit under subsection (c)(1) of this section or a transferable Market Squid Brail Permit under subsection (c)(3) of this section or a transferable Market Squid Light Boat Permit under subsection (c)(5) of this section are valid for consideration.

(E) The department shall separately identify Non-Transferable Market Squid Vessel Permits issued under this section and those permits shall become null and void upon the death of the permit holder.

(3) Market Squid Brail Permit – Transferable.

(A) A Transferable Market Squid Brail Permit may be issued to an individual, partnership, or corporation that is the owner of a commercial fishing vessel that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application, and

(B) have been issued a Market Squid Vessel Permit for the 2004-05 permit year for that vessel that has not been suspended or revoked, and

(C) the vessel must have made at least 10 landings of market squid with brail gear from January 1, 2000 through March 31, 2003 as documented by fish landing receipts

submitted to the department in the vessel's name and identification number pursuant to Fish and Game Code Section 8046.

(D) Upon issuance of a transferable Market Squid Brail Permit, additional squid fishery catch history associated with the vessel may not be used by any individual, partnership or corporation toward qualification for additional permits of any class.

(4) Market Squid Brail Permit – Non- Transferable.

(A) A Non-Transferable Market Squid Brail Permit may be issued to an individual that is the owner of a commercial fishing vessel with a Market Squid Vessel Permit for the 2004-05 permit year that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application, and

(B) the Market Squid Vessel Permit has not been suspended or revoked, and

(C) pursuant to Fish and Game Code Section 8101, the individual must have been licensed as a California commercial fisherman for at least 20 years at the time of application, and

(D) the individual has made at least 10 landings of market squid with brail gear from the vessel with a Market Squid Vessel Permit for the 2004-05 permit year as documented by fish landing receipts submitted to the department in the person's name and commercial fishing license identification number pursuant to Fish and Game Code Section 8046, during any one permit year (April 1 through March 31 of the following year) from January 1, 2000 through March 31, 2003. Only receipts that demonstrate catch from a vessel with a Market Squid Vessel Permit for the 2004-05 permit year that does not already qualify for issuance of a transferable Market Squid Vessel Permit under subsection (c)(1) of this section or a transferable Market Squid Brail Permit under subsection (c)(3) of this section or a transferable Market Squid Light Boat Permit under subsection (c)(5) of this section are valid for consideration.

(E) The department shall separately identify Non-Transferable Market Squid Brail Permits issued under this section and those permits shall become null and void upon the death of the permit holder.

(5) Market Squid Light Boat Permit – Transferable.

(A) A Transferable Market Squid Light Boat Permit may be issued to an individual, partnership or corporation that is the owner of a commercial fishing vessel that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application, and

(B) the individual, partnership or corporation must have been issued a Market Squid Vessel Permit or a Squid Light Boat Owner's Permit for the 2004-05 permit year for use on that vessel that has not been suspended or revoked, and

(C) the individual, partnership or corporation must have submitted to the department, pursuant to subsection 149(b) and Section 190, Title 14, CCR, at least one market squid light boat logbook form (DFG 149b) with fishing activity dated on or prior to December 31, 2000 for that vessel.

(6) Non-Transferable Market Squid Vessel Permits and Non-Transferable Market Squid Brail Permits may only be issued to individuals, and shall not be issued to partnerships or corporations, although the permit may be placed on a vessel which is owned by a partnership or corporation.

(d) Application Deadlines for Initial Permit Issuance. All applications [FG 1315 (8/04), incorporated by reference herein] and permit fees for initial issuance of Market Squid

Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits must be received by the department, or, if mailed, postmarked on or before June 30, 2005. Applications and permit fees for initial issuance of Market Squid Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits received by the department, or, if mailed, postmarked from July 1 through July 31, 2005 will be assessed a \$250 late fee, notwithstanding Fish and Game Code Section 7852.2. Applications and permit fees for initial issuance of Market Squid Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits received by the department or postmarked after July 31, 2005 will be denied by the department and returned to the applicant.

(e) Initial Issuance Appeals. Any applicant who is denied initial issuance of a Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit by the department pursuant to subsection (c) may appeal that denial to the commission in writing, describing the basis for the appeal. The appeal shall be received by the commission or, if mailed, postmarked within 60 days of the department's denial.

(f) Annual Permit Renewal.

(1) On and after April 1, 2006, Market Squid Vessel Permits, Market Squid Brail Permits and Market Squid Light Boat Permits will be issued annually by the department only to those persons who have held the same class of permit in the immediately preceding permit year.

(2) Upon the death of the individual to whom a Non-Transferable Market Squid Vessel Permit or Non-Transferable Market Squid Brail Permit is issued, the permit shall be considered null and void and permit renewal criteria specified in this subsection shall not apply.

(g) Application Deadlines for Annual Permit Renewal. All applications [FG 1315 (8/04), incorporated by reference herein] and permit fees for renewal of Market Squid Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits must be received by the department, or, if mailed, postmarked on or before April 30 of each permit year. Applications and permit fees for renewal of Market Squid Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits received by the department, or, if mailed, postmarked from May 1 through May 31 of each permit year will be assessed a \$250 late fee, notwithstanding Fish and Game Code Section 7852.2. Applications and permit fees for renewal of Market Squid Vessel Permits, Market Squid Brail Permits, and Market Squid Light Boat Permits received by the department or postmarked after May 31 of each permit year will be denied by the department and returned to the applicant.

(h) Renewal Appeals. Any applicant who is denied renewal of a Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit may appeal the denial to the department in writing describing the basis for the appeal. The appeal shall be received or, if mailed, postmarked no later than March 31 following the permit year in which the applicant last held a valid Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit. The appeal shall be reviewed and decided by the department. The decision of the department may be appealed in writing to the commission within 60 days of the date of the department's written decision.

(i) Permit, Transfer and Upgrade Fees.

(1) The department shall charge an annual fee for a permit of each permit class as follows:

- (A) Market Squid Vessel Permit – Transferable - two thousand dollars (\$2,000).
- (B) Market Squid Vessel Permit – Non-Transferable - one thousand dollars (\$1,000).
- (C) Market Squid Brail Permit – Transferable - two thousand dollars (\$2,000).
- (D) Market Squid Brail Permit – Non-Transferable - one thousand dollars (\$1,000).
- (E) Market Squid Light Boat Permit – Transferable - six hundred dollars (\$600).
- (2) The department shall charge a non-refundable fee of five hundred dollars (\$500) for each permit transfer. If more than one permit is involved in the transfer based on provisions defined in subsection (o), a total of five hundred dollars (\$500) dollars shall be charged for the transaction.
- (3) The department shall charge a non-refundable fee of one thousand five hundred dollars (\$1,500) for each Market Squid Brail Permit Upgrade based on provisions defined in subsection (q).
- (j) Permit Revocation, Suspension or Cancellation.
 - (1) Pursuant to Fish and Game Code Section 1052(b), a Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit shall be revoked if false information is provided by the permittee to obtain or maintain the permit.
 - (2) A Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit may be suspended, revoked, or cancelled by the commission upon conviction of a violation of regulations contained in Section 149, Title 14, CCR, or violation of the terms and conditions of the permit.
- (k) Dissolution of Partnership or Corporation. If a transferable Market Squid Vessel Permit, Market Squid Brail Permit, or Market Squid Light Boat Permit is issued for a vessel that is owned by a bona fide partnership or corporation which becomes dissolved, the partnership or corporation shall notify the department of the name of the partner or shareholder who is the successor permitholder and the department shall reissue the permit to that partner or shareholder. Change of vessel ownership provisions defined in subsection (l) and transfer fees in subsection (i)(2) apply.
- (l) Change of Vessel Ownership.
 - (1) If a transferable Market Squid Vessel Permit, Market Squid Brail Permit, or Market Squid Light Boat Permit is issued for a vessel that is owned by an individual or by a bona fide partnership or corporation, and the individual, bona fide partnership, or corporation transfers the title of ownership of the vessel to another entity, the original entity to which the permit is issued must notify the department of the change in ownership, and submit a non-refundable transfer fee of five hundred dollars (\$500).
 - (2) Upon payment of fees, and surrender to the department of the original permit or permits, the department shall issue the applicable permit to the new owner of the vessel that is valid for the remainder of the fishing season. Gross tonnage endorsement provisions defined in subsection (n) below shall apply.
 - (3) Non-Transferable Market Squid Vessel Permits and Non-Transferable Market Squid Brail Permits which are issued to individuals shall not be transferred to a new owner. Sale or transfer of ownership of a vessel that is authorized to fish under a non-transferable market squid permit shall render the permit null and void.
- (m) Capacity Goals.
 - (1) The capacity goal for transferable and non-transferable Market Squid Vessel Permits is 55.

(2) The capacity goal for transferable and non-transferable Market Squid Brail Permits is 18.

(3) The capacity goal for transferable Market Squid Light Boat Permits is 34.

(4) Should the number of Market Squid Vessel Permits, Market Squid Brail Permits, or Market Squid Light Boat Permits issued by the department fall below the capacity goal for that permit class, the commission may prescribe criteria for issuance of additional permits of that class, which may include but is not limited to previous issuance of market squid vessel, brail or light boat permits, market squid catch or market squid logbook histories.

(n) Gross Tonnage Endorsement. Each Market Squid Vessel Permit or Market Squid Brail Permit shall be endorsed with the gross tonnage at the time of initial issuance. Any vessel owner transferring a Market Squid Vessel Permit or Market Squid Brail Permit shall also provide gross tonnage information for the replacement vessel as described below.

(1) The gross tonnage shall be determined as follows:

(A) If the owner of the vessel holds a Federal Coastal Pelagic Species Permit issued by the National Marine Fisheries Service for that vessel, the owner of the vessel shall submit a copy of the vessel owner's current valid Federal Coastal Pelagic Species Permit with the vessel's endorsed gross tonnage.

(B) If the owner of the vessel does not hold a Federal Coastal Pelagic Species Permit for the vessel, the gross tonnage will be determined by multiplying the length (L), breadth (B), and depth (D) of the vessel by 0.0067. Records of length, breadth, and depth used for determining gross tonnage will be those recorded on the vessel's United States Coast Guard documentation paper.

(2) The gross tonnage endorsement will remain in effect for the lifetime of each permit, regardless of the gross tonnage of a vessel to which it was transferred.

(3) In cases where a permit is transferred to a vessel with a smaller gross tonnage, the original gross tonnage endorsement will remain, and excess gross tonnage cannot be split out from the original permit endorsement for any purpose.

(4) In cases where two or more permits are transferred to a replacement vessel pursuant to guidelines in subsection (o), the replacement vessel shall be issued a transferable permit which reflects a gross tonnage endorsement which is recorded as either the sum of the gross tonnage endorsements from the original vessels, or the gross tonnage of the replacement vessel, whichever of the two values is less.

(o) Transfer of Permits to Replacement Vessels.

(1) Conditions for permit transferability as defined in this subsection shall provide the mechanism for achieving the capacity goals defined in subsection (m) of this Section over time.

(2) Definitions of Comparable Capacity.

(A) For purposes of permit transferability described in this subsection, two vessels are of comparable capacity if the gross tonnage, as defined in subsection (n) of this Section, of the replacement vessel is not in excess of ten percent greater than the gross tonnage of the originally permitted vessel [the replacement vessel's gross tonnage must be less than (the gross tonnage of the original vessel) plus (0.1 multiplied by the gross tonnage of the original vessel)].

(B) A replacement vessel shall be considered of comparable capacity in cases of permit transfers where the gross tonnage of the original vessel exceeds the gross tonnage of the replacement vessel by any amount. Gross tonnage endorsement provisions for the replacement vessel defined in subsection (n) shall apply.

(3) After August 31, 2005 the following conditions for transferability of permits to replacement vessels will be in effect for permits in each class as described:

(A) The owner of a vessel with a valid Transferable Market Squid Vessel Permit may transfer the permit to another person who is the owner of a replacement commercial fishing vessel of comparable capacity as defined in this subsection.

(B) If transfer is sought of a Transferable Market Squid Vessel Permit for a replacement commercial fishing vessel which is not of comparable capacity as defined in this subsection, one additional valid Transferable Market Squid Vessel Permit shall be transferred and surrendered to the department at the time of the transfer. Market Squid Vessel Permit transfers are not authorized in cases where the gross tonnage of the replacement vessel is not of comparable capacity to the sum of the gross tonnages of the two original vessels as defined above.

(C) A Transferable Market Squid Brail Permit issued to an individual, partnership or corporation may be transferred to another entity who is the owner of a replacement commercial fishing vessel of comparable capacity as defined in this subsection.

(D) A Transferable Market Squid Light Boat Permit issued to an individual, partnership or corporation may be transferred to another entity who is the owner of a replacement commercial fishing vessel.

(E) In the event of death of the holder of a Transferable Market Squid Vessel Permit, Transferable Market Squid Brail Permit, or a Transferable Market Squid Light Boat Permit, the estate must apply for transfer of the permit to another entity within one year of the permitholder's death.

(F) A Non-Transferable Market Squid Vessel Permit or a Non-Transferable Market Squid Brail Permit issued to an individual may not be transferred to another entity, but in the event the permitted vessel is lost, stolen or destroyed, or has suffered a major mechanical breakdown, the permit may be placed on a replacement vessel of comparable capacity as defined in subsection (m). A notarized, written request for transfer must be submitted, along with proof that the permitted vessel is lost, stolen, or destroyed in the form of a copy of the report filed with the United States Coast Guard or any other law enforcement agency or fire department investigating the loss. In the case of mechanical breakdown, the request shall include an estimate of the costs to repair the vessel from a marine surveyor or boat repair yard. The department shall not issue a permit for a replacement vessel pursuant to this subsection if the permitted vessel was reported lost, stolen, destroyed, or damaged for fraudulent purposes.

(4) The applicant for transfer must be the owner of a replacement commercial fishing vessel that has been registered with the department pursuant to Fish and Game Code Section 7881 at the time of application.

(5) A written request for transfer of a market squid permit of any class shall be submitted to the department by the owner of the replacement vessel in the form of a notarized letter, accompanied by the nonrefundable transfer fee and shall include a copy of the permit or permits which are being considered for transfer, current proof of

vessel ownership, and gross tonnage information as described in subsection (n), if applicable.

(6) Any market squid permit holder intending to transfer a permit shall submit a notarized letter to the department setting forth the conditions of the sale, and shall specify that the terms of the transfer as documented by the replacement vessel owner are valid and true.

(7) Upon determining that the applicant is qualified to transfer the permit to a replacement vessel, payment of all fees, and surrender to the department of the original permit or permits, the department shall issue the applicable permit to the owner of the replacement vessel that is valid for the remainder of the fishing season. Gross tonnage endorsement provisions defined in subsection (n) above shall apply.

(8) At the time the permit transfer is complete, vessels previously authorized to fish under conditions of a surrendered permit shall not take or attract squid for commercial purposes unless otherwise authorized in regulation or statute.

(p) Transfer Appeals. Any applicant who is denied transfer of a Market Squid Vessel Permit, Market Squid Brail Permit, or a Market Squid Light Boat Permit may appeal the denial to the department in writing describing the basis for the appeal. The appeal shall be received or, if mailed, postmarked within 60 days of the date of the department's denial. The appeal shall be reviewed and decided by the department. The decision of the department may be appealed in writing to the commission within 60 days of the date of the department's written decision.

(q) Market Squid Brail Permit Upgrade. Purchase of a Transferable Market Squid Brail Permit by a permittee who holds a Transferable Market Squid Light Boat Permit may occur with surrender of the Transferable Market Squid Light Boat Permit.

(1) An application for upgrade to a Market Squid Brail Permit shall be submitted to the department by the market squid light boat permittee in the form of a notarized letter, and shall include a copy of the permit which is being sought for surrender, current proof of vessel ownership, and gross tonnage information as described in subsection (n).

(2) Upon determining that the applicant is qualified to upgrade the permit, payment of all permit and upgrade fees, and surrender to the department of the original permit, the department shall issue the replacement permit that is valid for the remainder of the fishing season. Gross tonnage endorsement provisions defined in subsection (n) above shall apply.

(r) Market Squid Brail Permit Upgrade Appeals. Any applicant who is denied upgrade of a Transferable Market Squid Light Boat Permit to a Transferable Market Squid Brail Permit may appeal the denial to the department in writing describing the basis for the appeal. The appeal shall be received or, if mailed, postmarked within 60 days of the date of the department's denial. The appeal shall be reviewed and decided by the department. The decision of the department may be appealed in writing to the commission within 60 days of the date of the department's written decision.

NOTE:

Authority: Sections 7071, 7078, 7923, 8026, 8425, 8428 and 8429.5, Fish and Game Code. Reference: Sections 7050, 7071, 7701, 7708, 7923, 8026, 8101, 8425, 8428, 8429.5 and 8429.7, Fish and Game Code.

Section 149.3, Title 14, CCR, is added to read:

149.3 Experimental Market Squid Vessel Permits

(a) The commission may issue 3 Non-Transferable Market Squid Vessel Permits as described in Section 149.1 to any individual for placement on any vessel for purposes of developing a squid fishery in areas previously not utilized for squid production.

(b) Excepting initial issuance provisions defined in subsection 149.1(c), terms and conditions of Section 149.1 apply in entirety to permits issued pursuant to this Section.

(c) Individuals issued permits pursuant to this Section are subject to all commercial squid fishing regulations defined in Section 149, Title 14, CCR.

(d) Market Squid Vessel Permits issued pursuant to this Section may be suspended, revoked, or cancelled by the commission upon conviction of a violation of regulations contained in Section 149, Title 14, CCR, or violation of the terms and conditions of the permit.

NOTE:

Authority cited: Sections 7071, 7078, and 8425, Fish and Game Code. Reference: Sections 7070, 7071, 7075, 7078, 7083